



STATE OF WASHINGTON  
DEPARTMENT OF COMMUNITY,  
TRADE AND ECONOMIC DEVELOPMENT

# Washington Climate Challenge

Climate Advisory Team

Meeting #4

September 7, 2007

WA Departments of Ecology (Ecy) and  
Community Trade & Economic Development (CTED)  
Center for Climate Strategies  
Ross & Associates

# Agenda

- **Welcome and Agenda Review**
- **Review and Affirm Remaining TWG Proposals**
  - Forestry
  - Agriculture
  - Residential, Commercial & Industrial
  - Transportation
  - Energy Supply
- **Laying the Groundwork for the CAT's Discussion of the Elements of a Comprehensive Climate Change Program for Washington State**
- **Update on Investment and Entrepreneurial Community Outreach**
- **Public Review and Comment Process of the Final Draft Report**
- **Next Steps for the CAT and TWGs**

# TWG Recommendations

## **June 5**

- CAT reviewed, amended, and approved complete policy option catalogs for each TWG

## **August 7**

- CAT reviewed/affirmed priority options for further analysis
- CAT reviewed and affirmed the direction of initial straw proposals ready for review

## **August-September**

- TWGs developed straw proposals for remaining priority options.

## **September 7**

- CAT reviews and affirms straw proposals for remaining options

# Ten Step Work Plan

1. Develop initial GHG inventories and forecasts
2. Identify possible GHG mitigation options
3. *Identify initial priorities for evaluation*
4. *Evaluate supply potential, cost effectiveness; ancillary and feasibility issues as needed*
5. *Identify barriers, alternative policy design needs*
6. Modify, add or subtract options as needed
7. Evaluate cumulative results of options (including job creation and fuel imports)
8. Iterate to consensus, with votes as needed
9. Aggregate options into implementation scenarios
10. Finalize recommendations and report language

# Technical Working Group Briefings

- Update on recent meetings and activities
- High-level overview of each TWG's remaining straw proposals for policy design
  - Forestry – 8 straw proposals ready for review today
    - 8 total priority mitigation options
    - 0 straw proposals reviewed August 7
  - Agriculture – 5 straw proposals ready for review today
    - 8 total priority mitigation options
    - 3 straw proposals reviewed and affirmed August 7
  - RCI - 5 straw proposals ready for review today
    - 11 total priority mitigation options (2 are picked up by Energy Supply)
    - 4 straw proposals reviewed and affirmed August 7
  - Transportation – 4 straw proposals ready for review today
    - 12 total priority mitigation options
    - 8 straw proposals reviewed and affirmed August 7
  - Energy Supply – 2 straw proposals ready for review today
    - 7 total priority mitigation options
    - 5 straw proposals reviewed and affirmed August 7
- CAT review and affirmation of remaining straw proposals

# Forestry

## Priority Mitigation Options and Straw Proposal Development Status

#	Mitigation Option Name	Straw Proposal Development Status
<b>F-1</b>	<b>Improved Forest Health (originally 2.6)</b>	<b>Ready for CAT Review</b>
<b>F-2</b>	<b>Reduced Conversion to Nonforest Cover (originally 2.1)</b>	<b>Ready for CAT Review</b>
<b>F-3</b>	<b>Enhanced Carbon Sequestration in Forests (originally 2.4)</b>	<b>Ready for CAT Review</b>
<b>F-4</b>	<b>Expanded Use of Wood Products for Building Materials (originally 3.3)</b>	<b>Ready for CAT Review</b>
<b>F-5</b>	<b>Expanded Use of Biomass Feedstocks for Electricity, Heat and Steam Production (originally 1.1)</b>	<b>Ready for CAT Review</b>
<b>F-6</b>	<b>Improved Commercialization of Advanced Lignocellulosic Processes (hydrolysis, gasification, pyrolysis or other) (originally 1.4, with 1.2 as a subset)</b>	<b>Ready for CAT Review</b>
<b>F-7</b>	<b>Enhanced Carbon Sequestration in Harvested Wood Products (originally 2.5)</b>	<b>Ready for CAT Review</b>
<b>F-8</b>	<b>Urban and Community Forests</b>	<b>Ready for CAT Review</b>

# Agriculture

## Priority Mitigation Options and Straw Proposal Development Status

#	Mitigation Option Name	Straw Proposal Development Status
AW-1	Manure Digesters/Other Waste Energy Utilization (originally 1.4)	Reviewed and affirmed by CAT during Aug 7 meeting
<b>AW-2</b>	<b>In-State Production of Biofuels and Biofuels feedstocks (originally 1.2 and 1.3)</b>	<b>Ready for CAT Review</b>
AW-3	Significantly Expand Source Reduction, Reuse, Recycling and Composting (originally 6.1, including 6.4 and 6.5)	Reviewed and affirmed by CAT during Aug 7 meeting
AW-4	Agricultural Carbon Management (combines original options 2.3, 3.1, 3.3, 3.4, 4.1, 5.2)	Reviewed and affirmed by CAT during Aug 7 meeting
<b>AW-5</b>	<b>Agricultural Nutrient Management (combines original 3.2, 3.3, and 5.2)</b>	<b>Ready for CAT Review</b>
<b>AW-6</b>	<b>Reductions In On-Farm Energy Use and Improvements in Energy Efficiency (originally 5.1)</b>	<b>Ready for CAT Review</b>
<b>AW-7</b>	<b>Preserve Open Space/Agricultural Land (originally 4.2)</b>	<b>Ready for CAT Review</b>
<b>AW-8</b>	<b>Support for an Integrated Regional Food System (originally 5-3)</b>	<b>Ready for CAT Review</b>

# Residential, Commercial & Industrial TWG

## Priority Mitigation Options and Straw Proposal Development Status

#	Mitigation Option Name	Straw Proposal Development Status
RCI-1	Demand-Side Management (DSM) Energy Efficiency Programs, Funds, or Goals for Natural Gas, Propane, and Fuel Oil (originally 1.2)	Reviewed and affirmed by CAT during Aug 7 meeting
RCI-2	Targeted Financial Incentives and Instruments to Encourage Energy Efficiency Improvements (Business Energy Tax Credit and Private/Public Efficiency Funds) (originally 1.3 and 1.5)	Reviewed and affirmed by CAT during Aug 7 meeting
RCI-3	Promotion and Incentives for Improved Community Planning and Improved Design and Construction (Third-party Sustainability, Green, and Energy Efficiency Building Certification Programs) in the Private Sector (originally 2.2 and 2.4)	Reviewed and affirmed by CAT during Aug 7 meeting
RCI-4	Energy Efficiency Improvement in Existing Buildings, with Emphasis on Building Operations (originally 2.6)	Reviewed and affirmed by CAT during Aug 7 meeting



#	Mitigation Option Name	Straw Proposal Development Status
<b>RCI-5</b>	<b>Rate structures and Technologies to Promote Reduced GHG Emissions (including Decoupling of Utility Sales and Revenues) (originally 5.3)</b>	<b>Ready for CAT Review</b>
RCI-6	Provide Incentives to Promote and Reduction of Barriers to Implementation of Renewable Energy Systems (originally 6.1)	Prepared jointly with ES TWG -- Ready for CAT Review (See option ES-2)
RCI-7	Provide Incentives and Resources to Promote and Reduction of Barriers to Implementation of Combined Heat and Power (CHP, or “cogeneration”) and Waste Heat Capture, Including Net-metering for Combined Heat and Power (originally 6.2 and 5.2)	Prepared jointly with ES TWG -- Ready for CAT Review (See option ES-7)
<b>RCI-8</b>	<b>Consumer Education Programs, Including Labeling of Embodied Life-cycle Energy and Carbon Content of Products and Buildings (originally 4.1 and 8.2)</b>	<b>Ready for CAT Review</b>
<b>RCI-9</b>	<b>Identify GHG Emissions Impacts and Measures to Avoid, Minimize, or Mitigate them for Projects Requiring Government Review, and in Designing Government Rules and Regulations (originally 7.7 and 7.8)</b>	<b>Ready for CAT Review</b>
<b>RCI-10</b>	<b>More Stringent Appliance/Equipment/ Lighting Efficiency Standards, and Appliance and Lighting Product Recycling and Design (originally 3.1 and 8.1)</b>	<b>Ready for CAT Review</b>
<b>RCI-11</b>	<b>Policies and/or Programs Specifically Targeting Non-energy GHG Emissions (originally 7.4)</b>	<b>Ready for CAT Review</b>

# Transportation

## Priority Mitigation Options and Straw Proposal Development Status

#	Mitigation Option Name	Straw Proposal Development Status
<b>T-1</b>	<b>Transit, Ridesharing, and Commuter Choice Programs (originally 5.2, 5.3, and 5.6)</b>	<b>Ready for CAT Review</b>
T-2	State, Regional, and Local VMT and GHG Reduction Goals and Standards (originally 4.4 and 5.10)	Reviewed and affirmed by CAT during Aug 7 meeting
<b>T-3</b>	<b>Transportation Pricing (originally 5.7, 5.9, and 5.12)</b>	<b>Ready for CAT Review</b>
T-4	Promote Compact and Transit-Oriented Development (originally 4.1)	Reviewed and affirmed by CAT during Aug 7 meeting
T-5	Quantification of GHG Impacts of Transportation Plans, Programs, and Projects (originally 5.11)	Reviewed and affirmed by CAT during Aug 7 meeting
T-6	Improvements to Freight Railroads and Intercity Passenger Railroads (originally 6.1 and 6.2)	Reviewed and affirmed by CAT during Aug 7 meeting
T-7	Diesel Engine Emission Reductions and Fuel Efficiency Improvements (originally 1.3 and 1.4)	Reviewed and affirmed by CAT during Aug 7 meeting
T-8	Local Transportation Financing Tools and Bicycle and Pedestrian Infrastructure Improvements (originally 5.4 and 5.5)	Reviewed and affirmed by CAT during Aug 7 meeting
<b>T-9</b>	<b>Transportation System Management (originally 5.1)</b>	<b>Ready for CAT Review</b>
<b>T-10</b>	<b>Incentives to Promote Low-GHG Vehicle Technologies (originally 1.5)</b>	<b>Ready for CAT Review</b>
T-11	Low Carbon Fuel Standard (originally 3.1)	Reviewed and affirmed by CAT during Aug 7 meeting
T-12	Zero Emission Vehicle Standards	Reviewed and affirmed by CAT during Aug 7 meeting

# Energy Supply

## Priority Mitigation Options and Straw Proposal Development Status

#	Mitigation Option Name	Straw Proposal Development Status
ES-1	Grid-based renewable energy incentives and/or barrier removal (originally 2.2)	Reviewed and affirmed by CAT during Aug 7 meeting
ES-2	Distributed renewable energy incentives and/or barrier removal (originally 2.3)	Reviewed and affirmed by CAT during Aug 7 meeting
ES-3	Efficiency improvements at existing renewable and power plants (originally 2.9 and 3.3)	Reviewed and affirmed by CAT during Aug 7 meeting
ES-4	Technology Research & Development, plus Technology-Focused Initiatives (originally 1.6, 2.8, and 3.4)	Reviewed and affirmed by CAT during Aug 7 meeting
ES-5	CCSR (including pre and post-combustion) incentives, requirements and/or enabling policies plus R&D (originally 5.1, 5.2, and 3.1a and b)	CAT called for revisions to Straw Proposal to ensure that actions do not overlap SB6001 (TWG revisions in progress)
ES-6	<b>Transmission system capacity, access, efficiency, and Smart Grid (originally 6.1, 6.2, and 6.5)</b>	<b>Ready for CAT Review</b>
ES-7	<b>Combined Heat and Power (CHP) and Thermal Energy Recovery and Use (originally 2.5)</b>	<b>Ready for CAT Review</b>
ES-8	Incorporated into ES-5 (originally 3.1a)	

# A Comprehensive Climate Program for Washington

- Starting the conversations around the other elements associated with developing a comprehensive climate program for Washington
  - Current process will help develop the strategies for reducing emissions (TWG) and preparing for impacts (PAWG)
  - Both individual strategies (coming through the TWGs and PAWG work) and broader economy-wide 'signals' will be needed for the emission reduction goals to be achieved
  - The CAT may wish to make recommendations regarding other elements of a comprehensive climate program
- This conversation should be informed by several inputs
  - Webinars
  - Outreach to the investment and entrepreneurial community
  - Washington's involvement with the Western Climate Initiative (WCI) and to a lesser extent, The Climate Registry (TCR)
  - CAT members' perspectives
- The conversation will culminate in whatever recommendations the CAT chooses to make, at whatever level of detail makes sense to the CAT
- Dialogue will begin in earnest at the October 4<sup>th</sup> CAT meeting with a presentation and discussion of WCI progress made to date

# Comprehensive Climate Program

- Some key elements to consider include:
  - The market mechanism(s) that will best ensure the emission reductions goals are achieved;
  - The functions the government should fulfill as the program is institutionalized and implemented over time;
  - The tools, resources and authorities needed to implement and perform these functions;
  - The substantive competitive advantages within Washington's economy relevant to the design and implementation of such a program – where Washington State can best play the “sellers” or “buyers” role
  - Others

# Update: Outreach to the Investment and Entrepreneurial Community

- September: Members of the investment and entrepreneurial communities are being invited to participate in a meeting to address two questions:
  1. What are the governmental 'market signals' that the financial community looks for when investing in clean energy/low carbon technologies?
  2. Are there any specific areas of interest to the financial community which connect with strategies under consideration in the Climate Challenge process?
- Ideas generated from this outreach will inform the CAT's comprehensive climate program discussion and final recommendations

# Public Review and Comment Process of the Final Draft Report

- Objective: maximize opportunities for public review and comment on substantive CAT recommendations
- Proposed public review and comment process will consist of public meetings around the state and a complementary web-based process in mid-December
- Public meetings could be attended by CAT Co-Chairs/ Staff and CAT members from the geographic area
- Questions for the CAT:
  - What suggestions does the CAT have for maximizing the effectiveness of this approach?
  - What is the best way to engage CAT members in this process?

# Next Steps

## **TWG meetings:**

- Review proposed quantification procedures, including data sources, methods, assumptions
- Develop and review first round of quantification results and identify needed revisions, if any
- Identify possible early consensus options for recommendation for CAT approval on Oct. 4

## **CAT Meeting #5 (7:30 a.m. – 4:00 p.m., October 4, Tri-Cities)**

- Discuss comprehensive climate program
- Discuss outreach results on how to improve the business climate for clean energy investments
- Discuss quantification principles and guidelines, key assumptions for TWG analysis of policy options, and review analysis results for initial options
- Identify early consensus policy options (if any) and discuss potential implications for budget formulation and/pr legislative recommendations
- Identify specific barriers to consensus and potential alternatives for remaining options, with guidance for additional work on options to TWG's
- Review final report progress and plans



# Public Comment

**For more information  
and to submit written comments**

**[www.ecy.wa.gov/climate change](http://www.ecy.wa.gov/climatechange)**